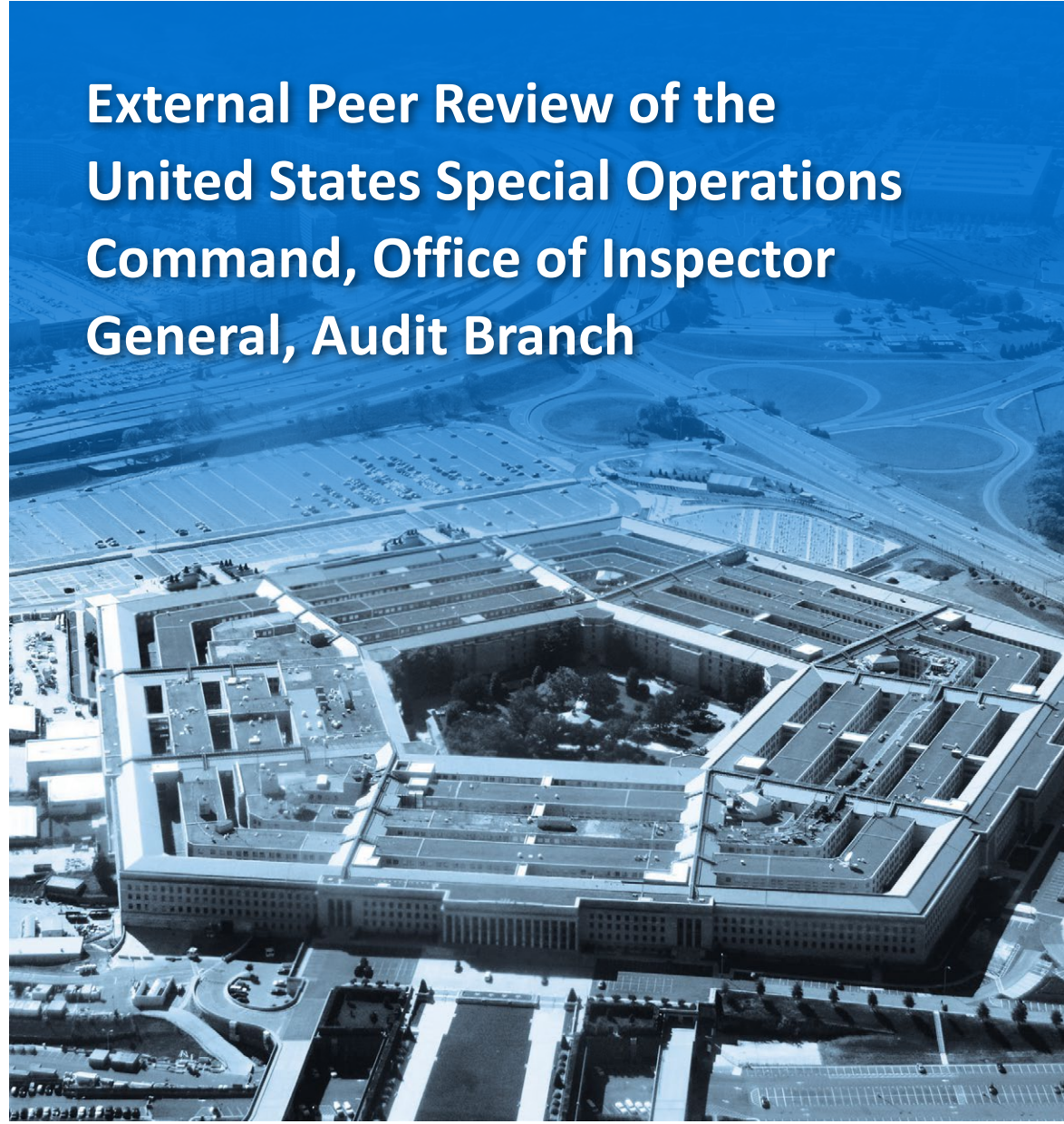




# INSPECTOR GENERAL

*U.S. Department of Defense*

SEPTEMBER 1, 2022



## External Peer Review of the United States Special Operations Command, Office of Inspector General, Audit Branch

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500**

September 1, 2022

**MEMORANDUM FOR INSPECTOR GENERAL, UNITED STATES SPECIAL  
OPERATIONS COMMAND**

**SUBJECT: External Peer Review of the United States Special Operations Command,  
Office of Inspector General, Audit Branch (Report No. DODIG-2022-124)**

This final report provides the results of the DoD Office of Inspector General's external peer review. We previously provided a discussion draft of this report to the United States Special Operations Command, Office of Inspector General representatives, who did not have any comments.

We conducted this external peer review from January 2022 through August 2022 in accordance with the Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency, "Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General." The Enclosure of the report identifies the scope and methodology for the review.

We appreciate the cooperation and courtesies extended to our staff during the external peer review. If you have any questions, please contact [REDACTED]

A handwritten signature in black ink, appearing to read "Randolph R. Stone", is positioned above the printed name.

**Randolph R. Stone  
Assistant Inspector General for Evaluations  
Space, Intelligence, Engineering, and Oversight**

Enclosure:  
As stated





**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500**

September 1, 2022

**MEMORANDUM FOR INSPECTOR GENERAL, UNITED STATES SPECIAL  
OPERATIONS COMMAND**

**SUBJECT: System Review Report on the External Peer Review of the United States  
Special Operations Command, Office of Inspector General, Audit Branch  
(Report No. DODIG-2022-124)**

We reviewed the system of quality control for the United States Special Operations Command, Office of Inspector General, Audit Branch (SOIG-A) in effect for the 3-year period ended December 31, 2021. A system of quality control encompasses the SOIG-A organizational structure, policies adopted, and procedures established to provide the system with reasonable assurance of conforming in all material respects with the Government Auditing Standards and applicable legal and regulatory requirements.<sup>1</sup> The elements of quality control are described in the Government Auditing Standards.

In our opinion, the system of quality control for the SOIG-A in effect for the 3-year period ended December 31, 2021, has been suitably designed and complied with to provide the SOIG-A with reasonable assurance of performing and reporting in conformity in all material respects with the Government Auditing Standards and applicable legal and regulatory requirements.

Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The SOIG-A has received an external peer review rating of *pass*.

***BASIS OF OPINION***

We conducted our review in accordance with the Government Auditing Standards and the Council of the Inspectors General on Integrity and Efficiency (CIGIE), "Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General," March 2020.

During our review, we interviewed SOIG-A audit personnel and obtained an understanding of the nature of the SOIG-A and the design of its system of quality control sufficient to assess the risks implicit in its audit function. Based on our assessment, we nonstatistically selected two of the four performance audits that the SOIG-A completed from January 1, 2019, through December 31, 2021. We tested the two performance audits for conformity with the Government Auditing Standards and SOIG-A's system of quality control. The two performance audits we selected represent a reasonable cross-section of the universe of four performance audits that the SOIG-A performed during the 3-year period ended December 31, 2021.

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<sup>1</sup> The Government Accountability Office's "Government Auditing Standards," July 2018 (Updated, April 2021) revision applies to performance audits conducted on or after July 1, 2019, and to attestation engagements covering periods ended on or after June 30, 2020.

In performing our review, we tested for compliance with SOIG-A quality control policies and procedures to the extent we considered appropriate. These tests covered the application of SOIG-A policies and procedures on the two selected SOIG-A audits. Our review was based on selected tests; therefore, it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it.

We held an exit conference with SOIG-A representatives to discuss the results of our review and provided a copy of a discussion draft of this report. They did not express any comments on the results of our review or the discussion draft. We believe that the procedures we performed provide a reasonable basis for our opinion. The Enclosure identifies our scope and methodology, including our basis for selecting the two performance audits we reviewed.

***RESPONSIBILITIES AND LIMITATION***

The SOIG-A is responsible for establishing and maintaining a system of quality control designed to provide the SOIG-A with reasonable assurance that the organization and its personnel comply in all material respects with professional standards and applicable legal and regulatory requirements. Our responsibility is to express an opinion on the design of the system of quality control and the SOIG-A's compliance with the system of quality control based on our review.

Inherent limitations exist in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

A handwritten signature in black ink, appearing to read 'Randolph R. Stone', with a stylized flourish at the end.

Randolph R. Stone  
Assistant Inspector General for Evaluations  
Space, Intelligence, Engineering, and Oversight

Enclosure:  
As stated

# Enclosure

## Scope and Methodology

We conducted this review from January 2022 through August 2022 in accordance with the Government Auditing Standards and the CIGIE, “Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General,” March 2020. These standards require that we obtain an understanding of the audit organization’s system of quality control and conclude whether:

- the system is designed appropriately to ensure compliance with the Government Auditing Standards, and
- the audit organization is complying with the Government Auditing Standards and internal policies and procedures.

This peer review covered the 3-year period from January 1, 2019, through December 31, 2021. We tested compliance with the SOIG-A system of quality control to the extent we considered appropriate. Our testing included a review of nonstatistically selected performance audits completed by the SOIG-A from January 1, 2019, through December 31, 2021. As detailed in the following sections, we used appendices and procedures in the March 2020 CIGIE Guide to conduct this external peer review.

### ***Policies and Procedures (CIGIE Guide Appendix A)***

We reviewed SOIG-A audit policies and procedures to determine whether the policies and procedures complied with the Government Auditing Standards. We requested that the SOIG-A complete Column 1 of the CIGIE Guide’s Appendix A, “Policies and Procedures,” and provide a copy of relevant policies and procedures. We recorded our conclusions and comments on whether the SOIG-A’s policies and procedures were adequate and complied with the Government Auditing Standards in Column 2 of Appendix A. We concluded that the SOIG-A policies and procedures complied with the Government Auditing Standards.

### ***Checklist for the Standards of Independence, Competence and Continuing Professional Education, and Quality Control and Peer Review (CIGIE Guide Appendix B)***

Using Appendix B of the CIGIE Guide, we tested the SOIG-A for compliance with the Government Auditing Standards general standards, consisting of independence, competence, continuing professional education, and quality control and peer review.

## ***Independence***

We reviewed SOIG-A records addressing the independence for all eight auditors who worked at SOIG-A as of March 8, 2022, to determine whether the SOIG-A met the Government Auditing Standards requirements for independence documentation. Based on our review, we determined that the auditors complied with the independence requirements in the Government Auditing Standards and SOIG-A policies and procedures.

## ***Competence and Continuing Professional Education***

We interviewed all eight SOIG-A auditors to determine their understanding of, and compliance with, the Government Auditing Standards and SOIG-A quality control policies and procedures. Based on the results of the interviews, we concluded that the auditors are competent and have an adequate understanding of the Government Auditing Standards and SOIG-A policies and procedures.

We also reviewed the continuing professional education documentation of seven of the eight auditors for the last 2-year continuing professional education reporting period covering FY 2020 through FY 2021. We excluded one auditor from our review of continuing professional education because the auditor began working at the SOIG-A after the 2-year reporting period ended.

Based on our review, we determined that the SOIG-A auditors complied with the Government Auditing Standards requirements for continuing professional education.

## ***Quality Control and Peer Review***

We nonstatistically selected and reviewed two of the four internal quality assurance reviews that the SOIG-A completed during the 3-year review period. We reviewed the two quality assurance reviews to determine whether the SOIG-A:

- performed monitoring procedures that enabled it to assess compliance with professional standards and quality control policies and procedures; and
- analyzed and summarized the results of its monitoring procedures, at least annually, with identification of any systemic or repetitive issues needing improvement with recommendations for corrective action.

Based on our review, we determined that the SOIG-A complied with the quality control and peer review general standards. Therefore, we concluded that the SOIG-A complied with all general standards in the Government Auditing Standards.



## **Checklist for Performance Audits (CIGIE Appendix E)**

From January 1, 2019, through December 31, 2021, the SOIG-A completed four performance audits. We nonstatistically selected two of the four performance audits for our review. The SOIG-A conducted the two performance audits while the 2018 revision to the Government Auditing Standards was in effect.

In selecting our nonstatistical sample, we chose audits that would provide a reasonable cross-section of performance audits completed by the SOIG-A during the 3-year review period. For example, we chose performance audits that resulted in the selection of various auditors. We reviewed the performance audits for compliance with the Government Auditing Standards using Appendix E of the CIGIE Guide. Based on our review, we determined that the SOIG-A complied with the Government Auditing Standards and its system of quality control. The following table lists the two performance audits that we selected for our review.

*Table. SOIG-A Performance Audits Selected for Review*

Project Title	Report Number	Report Date
Audit of Classified Information Technology Inventory	21-01	July 27, 2021
Cybersecurity Training	22-01	December 6, 2021

Source: The DoD OIG.

## **Terminated Audits (CIGIE Risk Assessment Procedure)**

During the 3-year period that ended December 31, 2021, the SOIG-A terminated one performance audit, Project No. 19-02, "Audit of Requirements Approval and Fund Certification Process." We reviewed the audit documentation for the terminated audit to determine whether the SOIG-A auditors complied with the Government Auditing Standards requirements to document the results of the work to date of the termination and the reason why the auditors terminated the audit. The SOIG-A complied with the Government Auditing Standards when it terminated the audit.

## **Use of Computer-Processed Data**

We did not use computer-processed data to conduct this external peer review.

## **Prior Coverage**

During the last five years, the DoD OIG issued one report discussing an external peer review of the SOIG-A. Unrestricted DoD OIG reports can be accessed at <https://www.dodig.mil/reports.html/>.

## **DoD OIG**

Report No. DODIG-2019-102, "System Review Report of the United States Special Operations Command, Office of the Inspector General, Audit Division," June 26, 2019

The DoD OIG evaluated whether the United States Special Operations Command, Office of the Inspector General, Audit Division system of quality control in effect for the 3-year period ended December 31, 2018, was adequate.<sup>2</sup>

The DoD OIG also evaluated whether the United States Special Operations Command, Office of the Inspector General, Audit Division complied with its quality control system to provide it with reasonable assurance of conformity with applicable professional standards, and legal and regulatory requirements. The United States Special Operations Command, Office of the Inspector General, Audit Division received an external peer review rating of *pass*.

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<sup>2</sup> The SOIG-A changed its name from the United States Special Operations Command, Office of the Inspector General, Audit Division to the United States Special Operations Command, Office of the Inspector General, Audit Branch during the period between the last peer review we completed in 2019 and this peer review.

# Acronyms and Abbreviations

- CIGIE** Council of the Inspectors General on Integrity and Efficiency
- SOIG-A** Special Operations Command, Office of Inspector General, Audit Branch



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## **U.S. DEPARTMENT OF DEFENSE**

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